



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JONATHAN E. FREEDMAN
Chief Deputy Director

313 North Figueroa Street, Room 806
Los Angeles, California 90012
TEL (213) 240-8117 • FAX (213) 975-1273
www.publichealth.lacounty.gov



BOARD OF SUPERVISORS

Gloria Molina
First District

Mark Ridley-Thomas
Second District


Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

March 23, 2012

TO: Each Supervisor

FROM:  Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND
FIVE CONTRACTS FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, and/or provide an internal reallocation of funds between budgets pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute the following DMC amendments for the term July 1, 2011 through June 30, 2014; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds:

- 1) Agreement Number PH-001771 with Southwest Care, Inc. to increase the annual funding by \$42,568, increasing the annual obligation from \$143,100 to \$185,668, and the total maximum obligation from \$429,300 to \$557,004, to provide additional Outpatient Drug Free Services and Day Care Habilitative Services, and add Perinatal Outpatient Drug Free Services and Perinatal Day Care Habilitative Services;

- 2) Agreement Number PH-001859 with The Solution Alcohol & Drug Recovery Foundation, Inc. to increase the annual funding by \$287,641, increasing the annual obligation from \$1,696,359 to \$1,984,000, and the total maximum obligation from \$5,089,077 to \$5,952,000, to provide additional Outpatient Drug Free Services and Day Care Habilitative Services;
- 3) Agreement Number PH-001752 with Equilibrium Health Services, Inc. to increase the annual funding by \$40,000, increasing the annual obligation from \$274,872 to \$314,872, and the total maximum obligation from \$824,616 to \$944,616, to provide Perinatal Outpatient Drug Free Services and Perinatal Day Care Habilitative Services;
- 4) Agreement Number PH-001825 with Matrix Institute on Addictions to increase the annual funding by \$200,000, increasing the annual obligation from \$700,000 to \$900,000, and the total maximum obligation from \$2,100,000 to \$2,700,000, to provide Outpatient Drug Free Counseling Services and Day Care Habilitative Services; and
- 5) Agreement Number PH-001787 with Atlantic Recovery Services to reallocate funds internally between budgets to provide Outpatient Drug Free Services based on the needs of the service area.

County Counsel has reviewed and approved the amendment as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:nb
#02181

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors